

WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Enrolled

Senate Bill 510

BY SENATORS PALUMBO, BEACH, JEFFRIES, LINDSAY,

PLYMALE, PREZIOSO, TAKUBO, WELD, WOELFEL,

HAMILTON, AND STOLLINGS

[Passed March 7, 2020; in effect 90 days from passage]

1 AN ACT to amend and reenact §31-18E-9 of the Code of West Virginia, 1931, as amended,
2 relating to the right of first refusal which land reuse agencies and municipal land banks
3 have on tax-delinquent properties; expanding the circumstances when the right of first
4 refusal may be used; clarifying provisions related to the right of first refusal; authorizing
5 land reuse agencies and municipal land banks to reject adjacent property owner's request
6 to purchase property in certain circumstances; providing a sunset date; and requiring the
7 submission of a report.

Be it enacted by the Legislature of West Virginia:

ARTICLE 18E. WEST VIRGINIA LAND REUSE AGENCY AUTHORIZATION ACT.

§31-18E-9. Acquisition of property.

1 (a) *Title to be held in its name.* — A land reuse agency or municipal land bank shall hold
2 in its own name all real property it acquires.

3 (b) *Tax exemption.* — (1) Except as set forth in subdivision (2) of this subsection, the real
4 property of a land reuse agency or municipal land bank and its income and operations are exempt
5 from property tax.

6 (2) Subdivision (1) of this subsection does not apply to real property of a land reuse agency
7 or municipal land bank after the fifth consecutive year in which the real property is continuously
8 leased to a private third party. However, real property continues to be exempt from property taxes
9 if it is leased to a nonprofit or governmental agency at substantially less than fair market value.

10 (c) *Methods of acquisition.* — A land reuse agency or municipal land bank may acquire
11 real property or interests in real property by any means on terms and conditions and in a manner
12 the land reuse agency considers proper: *Provided*, That a land reuse agency or municipal land
13 bank may not acquire any interest in oil, gas, or minerals which have been severed from the realty.

14 (d) *Acquisitions from municipalities or counties.* — (1) A land reuse agency or municipal
15 land bank may acquire real property by purchase contracts, lease purchase agreements,
16 installment sales contracts, and land contracts and may accept transfers from municipalities or

17 counties upon terms and conditions as agreed to by the land reuse agency or municipal land bank
18 and the municipality or county.

19 (2) A municipality or county may transfer to a land reuse agency or municipal land bank
20 real property and interests in real property of the municipality or county on terms and conditions
21 and according to procedures determined by the municipality or county as long as the real property
22 is located within the jurisdiction of the land reuse agency or municipal land bank.

23 (3) An urban renewal authority, as defined in §16-18-4 of this code, located within a land
24 reuse jurisdiction established under this article may, with the consent of the local governing body
25 and without a redevelopment contract, convey property to the land reuse agency. A conveyance
26 under this subdivision shall be with fee simple title, free of all liens and encumbrances.

27 (e) *Maintenance.* — A land reuse agency or municipal land bank shall maintain all of its
28 real property in accordance with the statutes and ordinances of the jurisdiction in which the real
29 property is located.

30 (f) *Prohibition.* — (1) Subject to the provisions of subdivision (2) of this subsection, a land
31 reuse agency or municipal land bank may not own or hold real property located outside the
32 jurisdictional boundaries of the entities which created the land reuse agency under §31-18E-4(c)
33 of this code.

34 (2) A land reuse agency or municipal land bank may be granted authority pursuant to an
35 intergovernmental cooperation agreement with a municipality or county to manage and maintain
36 real property located within the jurisdiction of the municipality or county.

37 (g) *Acquisition of tax-delinquent properties.* — (1) Notwithstanding any other provision of
38 this code to the contrary, if authorized by the land reuse jurisdiction which created a land reuse
39 agency or municipal land bank or otherwise by intergovernmental cooperation agreement, a land
40 reuse agency or municipal land bank may acquire an interest in tax-delinquent property through
41 the provisions of chapter 11A of this code. Notwithstanding the provisions of §11A-3-8 of this
42 code, if no person present at the tax sale bids the amount of the taxes, interest, and charges due

43 on any unredeemed tract or lot or undivided interest in real estate offered for sale, the sheriff shall,
44 prior to certifying the real estate to the Auditor for disposition pursuant to §11A-3-44 of this code,
45 provide a list of all of said real estate within a land reuse or municipal land bank jurisdiction to the
46 land reuse agency or municipal land bank and the land reuse agency or municipal land bank shall
47 be given an opportunity to purchase the tax lien and pay the taxes, interest, and charges due for
48 any unredeemed tract or lot or undivided interest therein as if the land reuse agency or municipal
49 land bank were an individual who purchased the tax lien at the tax sale.

50 (2) Notwithstanding any other provision of this code to the contrary, if authorized by the
51 land reuse jurisdiction which created a land reuse agency or municipal land bank or otherwise by
52 intergovernmental cooperation agreement, the land reuse agency or municipal land bank shall
53 have the right of first refusal to purchase any tax-delinquent property which is within municipal
54 limits, and meets one or more of the following criteria: (A) It has an assessed value of \$50,000 or
55 less; (B) there are municipal liens on the property that exceed the amount of back taxes owed in
56 the current tax cycle; (C) the property has been on the municipality's vacant property registry for
57 24 consecutive months or longer; (D) the property was sold at a tax sale within the previous three
58 years, was not redeemed, and no deed was secured by the previous lien purchaser; or (E) has
59 been condemned: *Provided*, That the land reuse agency or municipal land bank satisfies the
60 requirements of subdivision (3) of this subsection. A list of properties which meet the criteria of
61 this subdivision shall regularly be compiled by the sheriff of the county, and a land reuse agency
62 or municipal land bank may purchase any qualifying tax-delinquent property for an amount equal
63 to the taxes owed and any related fees before such property is placed for public auction.

64 (3) When a land reuse agency or municipal land bank exercises a right of first refusal in
65 accordance with subdivision (2) of this section, the land reuse agency or municipal land bank
66 shall, within 15 days of obtaining a tax deed, provide written notice to all owners of real property
67 that is adjacent to the tax-delinquent property. Any such property owner shall have a period of
68 120 days from the receipt of notice, actual or constructive, to express an interest in purchasing

69 the tax-delinquent property from the land reuse agency or municipal land bank for an amount
70 equal to the amount paid for the property plus expenses incurred by the land reuse agency or
71 municipal land bank: *Provided*, That the land reuse agency or municipal land bank may refuse to
72 sell the property to the adjacent property owner that expressed interest in the tax-delinquent
73 property if that property owner or an entity owned by the property owner or its directors is
74 delinquent on any state and local taxes or municipal fees on any of their property.

75 (4) Effective July 1, 2025, the provisions of subdivisions (2) and (3) of this subsection shall
76 sunset and have no further force and effect.

77 (5) Prior to January 1, 2025, any land reuse agency or municipal land bank which
78 exercises the authority granted by this subsection shall submit to the Joint Committee on
79 Government and Finance a report on the entity's activities related to the purchase of tax-
80 delinquent properties and any benefits realized from the authority granted by this subsection.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman, Senate Committee

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Chairman, House Committee

Originated in the Senate.

In effect 90 days from passage.

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Clerk of the Senate

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Clerk of the House of Delegates

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President of the Senate

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Speaker of the House of Delegates

The within this the.....
Day of, 2020.

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Governor